



THE COMPTROLLER'S CORNER

Auditable Financial Statements

During the past several years we have made substantial progress in improving Air Force financial management. Achieving auditable financial statements is an important next step in this ongoing process.

Why do we need auditable financial statements? The Air Force needs auditable financial statements to ensure that the data we use to manage our Service is accurate. We need them to comply with the law. The Chief Financial Officers Act of 1990 requires auditable financial statements in all Agencies of the Federal government. We also need auditable statements to comply with the President's commitment. In a memo dated May 26, 1998, the President asks all Federal Agencies to assist in achieving an unqualified audit opinion on the government-wide financial statements for Fiscal Year 1999.

More generally, the Air Force and other Federal Agencies need to produce auditable financial statements in order to reassure the public that we are good stewards of their tax dollars. It is quite reasonable to expect that we do what every successful public company in America does—this is, produce auditable financials.

Much of the effort needed to achieve clean audit opinions will occur at Air Force headquarters and at DFAS. But we in the Air Force FM community must help where appropriate. I ask those of you involved in the tri-annual review of obligations to focus on this effort, particularly the end-of-year review. We need to respond to queries regarding obligations on the open document listing, assist DFAS in ensuring that all obligations are valid and well supported, and have DFAS deobligate any funds for which no valid requirement exists. A careful end-of-year review may also free up some funds to meet your base's high-priority needs. In addition to the end-of-year review, we need help with documentation, both from our bases and our remaining RAFOs.

Working together, we can take an important step toward improving the auditability of Air Force financial statements. Please join in this effort.

ROBERT F. HALE
Assistant Secretary of the Air Force
(Financial Management and Comptroller)